Montana Department of Labor & Industry

Employment Relations Division

Presents

Effect of Apportionment and Capping on Occupational Disease

- A study requested by the Montana Department of Labor & Industry, Employment Relations Division and conducted by Insurance Services Offices, Inc.

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SECTION 1

INTRODUCTION

INTRODUCTION

BACKGROUND

According to the Occupational Disease Act (ODA) of Montana, the indemnity[1] portion of a claim arising from an occupational disease is determined differently than an otherwise identical claim arising from a workers compensation injury. In particular, the indemnity portion of an occupational disease claim is subject to the following two adjustments:

1) **Apportionment**:
   Based on the apportionment provision of the ODA, § 39-72-706, a claimant's benefits for wage losses are reduced by a percentage that represents the non-occupational factors that contributed to the claimant's condition.

2) **$10,000 Limitation**:
   Based on the ODA, § 39-72-405, a maximum of $10,000 in indemnity benefits are available to a claimant who is permanently partially disabled.

The Montana Supreme Court recently issued two decisions that affect benefit entitlements under the ODA. These decisions, Debra Stavenjord vs. State Fund and Cassandra Schmill vs. Liberty Northwest Insurance Company, find that claimants under the ODA are entitled to the same benefits available under the Workers Compensation Act.

The Employment Relations Division of the Montana Department of Labor and Industry ("Montana" or "the State") has requested Insurance Services Office, Inc. ("ISO") to prepare an estimate of the impact of eliminating both apportionment and the $10,000 limitation when calculating indemnity payments for occupational disease claims.[2]

OBJECTIVE

The objective of our study is to:

1. Determine the effect of eliminating apportionment and the $10,000 limitation on future occupational disease claims and overall workers compensation claims for the year ending 6/30/04.

This report responds to this objective.

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[1] Throughout this report, the term "indemnity" refers to wages.

[2] If both apportionment and the $10,000 cap are applicable to a single claim, then the cap is applied first and then apportionment is applied afterwards.

INTRODUCTION

RELIANCES AND LIMITATIONS

The results of our study are based on the information provided by Montana, including a database of workers compensation and occupational disease claims and other information regarding Montana law and practices.

In preparing our report, we have relied upon the data and information provided. We have reviewed the data for reasonability, but have not audited the data. Any material error in the data or other information provided to us could substantially affect our recommendations. In such event, ISO cannot be responsible for any consequences resulting from its use of incorrect information or data in forming its opinions or making its recommendations.

The data provided was from records maintained by the Montana Department of Labor and Industry. The records needed to be summarized for our purposes here (see section 3 for more details). The records were not part of a financial record keeping system (such as insurance company claims records) and did not include reserves (estimates of unpaid losses). The uncertainty of our estimates is increased since we could not project losses to ultimate value, but instead relied on the distribution of losses for a group of immature claims.

We have assumed that the workers compensation and occupational disease claims database is a representative sample of all such claims incurred in Montana. If the claims database is biased in some manner, then the results based on this data may be distorted.

By their nature, future losses are subject to variability. The ultimate amounts depend on future events, the result of which cannot be known in advance. Future losses may differ substantially from our estimates.

This report is for the use of Montana State staff. This report may be released to others considering the effect of apportionment and the $10,000 cap on occupational disease claims, provided that it is distributed in its entirety. All other distributions of the report require the prior consent of ISO. The actuaries signing this report are available to answer questions about it.

SECTION 2

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

The key results of our analysis are summarized below. Supporting documentation, background information and the details of our analysis can be found in following sections of this report and the exhibits.

We estimate that eliminating both apportionment and the $10,000 cap will cause total payments associated with the occupational disease and workers compensation system to increase by 0.6%.

The table below shows estimates of the percent increases in payments that result from eliminating apportionment and the $10,000 cap on various components of the occupational disease and workers compensation system.

PERCENT INCREASE IN PAYMENTS RESULTING FROM ELIMINATING APPORTIONMENT AND THE $10,000 LIMITATION

COMPONENT	EFFECT OF ELIMINATING APPORTIONMENT	EFFECT OF ELIMINATING $10,000 CAP	TOTAL EFFECT
Occupational Diseases (Indemnity Only)	5.6%	8.0%	14.0%
Occupational Diseases (Indemnity and Medical Combined)	2.7%	4.1%	6.9%
Occupational Diseases and Workers Compensation Injuries (Indemnity and Medical Combined)	0.2%	0.4%	0.6%

We determined the percentages shown in the above table sequentially. For example, we first calculated the impact of eliminating apportionment on occupational disease claims. Then, after apportionment has been eliminated, we then determined the effect of removing the $10,000 limitation on permanent partial occupational disease claims.

We have assumed that the workers compensation and occupational disease claims database is a representative sample of all such claims incurred in Montana. If the claims database is biased in some manner, then the results based on this data may be distorted. As a result, percentage impacts shown in the above table should be viewed as approximations rather than exact values.

EXECUTIVE SUMMARY

We are pleased to have conducted this study for the Employment Relations Division of the Montana Department of Labor & Industry and look forward to answering any questions you may have.

Respectfully submitted,

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SECTION 3

METHODOLOGY AND RESULTS

METHODOLOGY AND RESULTS

SUMMARY OF CLAIMS DATABASE

Montana has provided us with a database of historical claims for injury years[3] 1995 through 2002.[4] For each claim, the database contains the following information (along with other fields not shown below):

- Social security number
- Injury date
- Whether clam resulted from an occupational disease or a workers compensation injury
- Medical payments made on claim
- Indemnity payments made on claim. Separately by injury type (partial vs. total disability and temporary vs. permanent disability). Indemnity payments were also separated into periodic payments and lump sum payments.
- Apportionment percentage (if any), applied to the indemnity payments on the claim.

The claims database contained some duplicate information. In particular, a single claim could appear in the database several times. For example, the same indemnity payment for a given claim appears on multiple records where each record corresponds to a different type of medical payment associated with the claim. As a result, we needed to create a summarized database in such a way that payments were not double counted.

EFFECT OF ELIMINATING APPORTIONMENT

Apportionment is currently applicable to the indemnity portion of all occupational disease claims. In **Exhibit 1** we determine the impact of eliminating this apportionment.

Exhibit 1, Page 1 shows the impact of apportionment on the indemnity payments of occupational disease claims. Column (1) shows the historical indemnity payments, separately for each injury year. In Column (2), we trend individual claims to reflect an average injury date of 12/31/03. We apply an annual indemnity trend factor of 4%. In Column (3), we back out the effect of apportionment. This adjustment is made separately to each claim, based on the information provided in the claims database. Column (4) shows the average

[3] Throughout this report, an injury year refers to the calendar year that the underlying workers compensation injury or occupational disease occurred. For example, injury year 2002 refers to all injuries that occurred from 1/1/02 through 12/31/02.

[4] The database does not contain all claims for injury year 2002.

apportionment percentage, separately for each year. Column (5) shows the percent increase in indemnity payments that would result from eliminating apportionment.

Exhibit 1, Page 2 shows the percentage effect of eliminating apportionment on the total payments associated with occupational diseases. In particular, Page 2 includes the effect of medical payments. Since medical payments are not affected by apportionment, the percentage impact of eliminating apportionment is reduced when we take medical payments into account.

Exhibit 1, page 3 shows both untrended and trended payments associated with workers compensation injuries. **Exhibit 1, Page 4** combines the information from Pages 2 and 3 to yield the percentage impact of eliminating apportionment on the entire workers compensation and occupational disease system. Since workers compensation payments are not affected by apportionment, the percentage impact of eliminating apportionment is reduced when we take workers compensation payments into account.

EFFECT OF ELIMINATING THE $10,000 CAP

Currently, the indemnity portion of a permanent partial disability claim resulting from an occupational disease is subject to a $10,000 limitation. In **Exhibit 2** we determine the impact of eliminating this limitation. Throughout this exhibit, we used the same claim database as for Exhibit 1, but indemnity claim values were adjusted by removing the effect of apportionment.

In **Exhibit 2, Page 1** we separate the historical permanent partial disability indemnity payments for occupational diseases into two groups:

1) Group 1 consists of claims that were exactly equal to $10,000. We interpret these claims as those that were subject to the $10,000 limitation.

2) Group 2 consists of claims that were less than $10,000, and therefore not subject to the $10,000 limitation.

Before assigning a claim to one of the two groups, we first aggregated all permanent partial indemnity payments associated with the claim. This aggregate claim amount could consist of two separate components:

- Periodic payments for permanent partial disability
- Lump sum payment for permanent partial disability

Exhibit 2, Page 1 displays both the total losses and the number of claims assigned to each of the groups defined above.

METHODOLOGY AND RESULTS

In **Exhibit 2, Page 2** we estimate what the average uncapped indemnity losses would be for the set of occupational disease claims that were capped at $10,000. To do this, we reviewed the indemnity losses for workers compensation injuries that were classified as being permanent partial disability cases. We identified the permanent partial disability workers compensation claims that had indemnity amounts greater than or equal to $10,000. Column (4) of Exhibit 2, Page 2 shows the average indemnity amounts. In Column (6) we trend the amounts shown in Column (4) to reflect an average injury date of 12/31/03.

In **Exhibit 2, Page 3** we show our estimate of trended, uncapped indemnity payments for permanent partial disability occupational disease claims. These amounts are displayed separately for the two groups of claims. In particular, the estimated indemnity payments for group 1 are based on the average severities calculated in Exhibit 2, Page 2.

Exhibit 2, Page 4 shows the effect of limiting the individual claims underlying Exhibit 2, Page 3 to $10,000. Column (5) shows the percentage increase in claim payments that would result from eliminating the cap. These increases apply to the indemnity portion of occupational disease claims that are classified as being permanent partial disability cases. Our selection is based on injury years 1995 through 1999. After reviewing the claims database, we felt that injury years 2000 through 2002 were too immature for use in this analysis.

We assume that all claims that contain a positive lump sum payment have been closed. We isolated the set of claims occurring in 1995 through 1999 that do not have a settlement value associated with it. For each of these non-settled claims, we reviewed the number of weeks of benefit payments. None of these claims had enough weekly benefit payments associated with it to indicate that any of the claims were still open as of the middle of 2002. Based on their own independent work, Montana staff agreed that the claims associated with injury years 1995 through 1999 should be viewed as closed. As a result, we did not apply any loss development factors to the losses. Note that our calculation of the effect of removing the $10,000 limitation is based on data from injury years 1995 through 1999.

In **Exhibit 2, Page 5** we calculate the effect of eliminating the $10,000 cap on the entire workers compensation and occupational disease system. Since neither workers compensation payments nor medical payments associated with occupational diseases are affected by the $10,000 limitation, the percentage impact of eliminating the cap is lower than was the case in Exhibit 2, Page 4 where we analyzed only the indemnity portion of occupational disease claims.

SUMMARY OF PERCENTAGE EFFECTS OF ELIMINATING APPORTIONMENT AND THE $10,000 CAP

Exhibit 3 summarizes the results of this study. The percentages shown represent the increase in payments for various components of the workers compensation and occupational disease system under different scenarios.

We show the percentage effect of eliminating apportionment, the percentage effect of eliminating the $10,000 cap, and the combined effect of both of these items.[5] We show the percentage effects separately for the indemnity portion of occupational diseases, the total payments associated with occupational diseases, and the total payments associated with workers compensation and occupational diseases combined.

[5] The percentage effect of eliminating the $10,000 cap was calculated under the assumption that apportionment had already been eliminated.

SECTION 4

EXHIBITS

MONTANA DEPARTMENT OF LABOR & INDUSTRY

OCCUPATIONAL DISEASES
EFFECT OF ELIMINATING THE APPORTIONMENT
INDEMNITY ONLY

Calendar Injury Year	(1) Untrended Total Indemnity	(2) Trended Total Indemnity	(3) Unapportioned Trended Total Indemnity	(4) Average Apportionment Percentage	(5) Effect of Eliminating Apportionment
1995	1,578,540	2,200,951	2,241,969	98.2%	1.9%
1996	3,039,638	4,079,918	4,162,312	98.0%	2.0%
1997	3,531,746	4,561,370	4,780,251	95.4%	4.8%
1998	3,354,772	4,173,748	4,337,326	96.2%	3.9%
1999	2,761,022	3,292,764	3,613,674	91.1%	9.7%
2000	2,293,620	2,633,918	2,978,368	88.4%	13.1%
2001	1,336,341	1,479,458	1,553,777	95.2%	5.0%
2002	156,188	167,231	177,825	94.0%	6.3%
TOTAL	18,051,867	22,589,359	23,845,502	94.7%	5.6%

Notes

(1) *Based on data provided by Client. Includes all categories (TTD, PTD, TPD, PPD).*
(2) *= Column (1), trended to 12/31/2003 at 4% per annum.*
(3) *= Column (2), after adding back the apportioned amount on indicated claims.*
(4) *= (2) / (3).*
(5) *= 1 / (4) - 1.*

MONTANA DEPARTMENT OF LABOR & INDUSTRY

OCCUPATIONAL DISEASES
EFFECT OF ELIMINATING THE APPORTIONMENT
INDEMNITY AND MEDICAL COMBINED

Calendar Injury Year	(1) Untrended Medical Payments	(2) Trended Medical Payments	(3) Trended Total Indemnity	(4) Combined Trended Payments
1995	1,348,620	2,038,026	2,200,951	4,238,978
1996	2,598,018	3,742,471	4,079,918	7,822,389
1997	3,595,275	4,945,042	4,561,370	9,506,411
1998	3,111,729	4,079,549	4,173,748	8,253,297
1999	2,797,129	3,484,895	3,292,764	6,777,659
2000	2,602,049	3,088,528	2,633,918	5,722,446
2001	2,046,159	2,322,562	1,479,458	3,802,020
2002	225,967	246,564	167,231	413,795
TOTAL	18,324,948	23,947,636	22,589,359	46,536,995

Calendar Injury Year	(5) Unapportioned Trended Total Indemnity	(6) Unapportioned Combined Trended Payments	(7) Average Apportionment Percentage	(8) Effect of Eliminating Apportionment
1995	2,241,969	4,279,996	99.0%	1.0%
1996	4,162,312	7,904,783	99.0%	1.1%
1997	4,780,251	9,725,292	97.7%	2.3%
1998	4,337,326	8,416,875	98.1%	2.0%
1999	3,613,674	7,098,569	95.5%	4.7%
2000	2,978,368	6,066,896	94.3%	6.0%
2001	1,553,777	3,876,338	98.1%	2.0%
2002	177,825	424,389	97.5%	2.6%
TOTAL	23,845,502	47,793,138	97.4%	2.7%

Notes

(1) *Based on data provided by Client. Includes all categories (TTD, PTD, TPD, PPD).*
(2) *= Column (1), trended to 12/31/2003 at 5% per annum.*
(3) *= Page 1, Column (2).*
(4) *= (2) + (3).*
(5) *= Page 1, Column (3).*
(6) *= (2) + (5).*
(7) *= (4) / (6).*
(8) *= 1 / (7) - 1.*

MONTANA DEPARTMENT OF LABOR & INDUSTRY

WORKERS COMPENSATION INJURIES
UNTRENDED AND TRENDED DATA
INDEMNITY AND MEDICAL COMBINED

	(1)	(2)	(3)
Calendar Injury Year	**Untrended Indemnity Payments**	**Untrended Medical Payments**	**Combined Untrended Payments**
1995	14,657,220	16,811,421	31,468,641
1996	18,084,887	18,682,766	36,767,653
1997	34,843,035	38,948,526	73,791,561
1998	34,128,288	38,135,367	72,263,655
1999	30,616,573	36,449,231	67,065,804
2000	25,830,237	30,921,723	56,751,960
2001	18,020,129	25,392,782	43,412,910
2002	3,666,708	6,805,628	10,472,336
TOTAL	179,847,077	212,147,444	391,994,521

	(4)	(5)	(6)
Calendar Injury Year	**Trended Indemnity Payments**	**Trended Medical Payments**	**Combined Trended Payments**
1995	20,448,710	25,351,365	45,800,075
1996	24,264,581	26,924,874	51,189,455
1997	44,874,246	53,387,422	98,261,668
1998	42,350,914	49,861,293	92,212,207
1999	36,526,782	45,360,953	81,887,735
2000	29,632,079	36,688,621	66,320,701
2001	19,921,768	28,752,470	48,674,238
2002	3,926,668	7,416,976	11,343,644
TOTAL	221,945,749	273,743,974	495,689,723

Notes

(1), (2)	*Based on data provided by Client.* *Includes all categories (TTD, PTD, TPD, PPD).*
(3)	*= (1) + (2).*
(4)	*= Column (1), trended to 12/31/2003 at 4% per annum.*
(5)	*= Column (2), trended to 12/31/2003 at 5% per annum.*
(6)	*= (4) + (5).*

MONTANA DEPARTMENT OF LABOR & INDUSTRY

OCCUPATIONAL DISEASES AND WORKERS COMPENSATION INJURIES
EFFECT OF ELIMINATING THE APPORTIONMENT
INDEMNITY AND MEDICAL COMBINED

Calendar Injury Year	(1) Workers Compensation Trended Payments	(2) Occupational Diseases Trended Payments	(3) Total Trended Payments
1995	45,800,075	4,238,978	50,039,053
1996	51,189,455	7,822,389	59,011,844
1997	98,261,668	9,506,411	107,768,080
1998	92,212,207	8,253,297	100,465,504
1999	81,887,735	6,777,659	88,665,394
2000	66,320,701	5,722,446	72,043,146
2001	48,674,238	3,802,020	52,476,258
2002	11,343,644	413,795	11,757,438
TOTAL	495,689,723	46,536,995	542,226,718

Calendar Injury Year	(4) Unapportioned OD Trended Payments	(5) Unapportioned Total Trended Payments	(6) Average Apportionment Percentage	(7) Effect of Eliminating Apportionment
1995	4,279,996	50,080,071	99.9%	0.1%
1996	7,904,783	59,094,238	99.9%	0.1%
1997	9,725,292	107,986,961	99.8%	0.2%
1998	8,416,875	100,629,081	99.8%	0.2%
1999	7,098,569	88,986,304	99.6%	0.4%
2000	6,066,896	72,387,597	99.5%	0.5%
2001	3,876,338	52,550,576	99.9%	0.1%
2002	424,389	11,768,033	99.9%	0.1%
TOTAL	47,793,138	543,482,861	99.8%	0.2%

Notes

(1) = *Page 3, Column (6).*
(2) = *Page 2, Column (4).*
(3) = *(1) + (2).*
(4) = *Page 2, Column (6).*
(5) = *(1) + (4).*
(6) = *(3) / (5).*
(7) = *1 / (6) - 1.*

MONTANA DEPARTMENT OF LABOR & INDUSTRY

OCCUPATIONAL DISEASES, PERMANENT PARTIAL DISABILITY CASES
EFFECT OF ELIMINATING THE $10,000 CAP
UNTRENDED INDEMNITY

Calendar Injury Year	(1) Untrended Total Indemnity on Cases Subject to $10,000 Capping (GROUP 1)	(2) Untrended Total Indemnity on Cases Not Subject to $10,000 Capping (GROUP 2)	(3) Total Untrended Indemnity on Partial Disability Cases (ALL GROUPS)	(4) Number of Records in (GROUP 1)	(5) Number of Records in (GROUP 2)
1995	200,000	101,362	301,362	20	19
1996	200,000	191,047	391,047	20	39
1997	150,000	208,580	358,580	15	42
1998	190,000	160,241	350,241	19	30
1999	50,000	113,882	163,882	5	32
2000	0	86,495	86,495	0	28
2001	0	62,172	62,172	0	21
2002	0	2,045	2,045	0	3
TOTAL 1995-1999	790,000	775,112	1,565,112	79	162

Notes

(1), (2) *Based on data provided by Client. Includes only Permanent Partial Disability records (PPD). Totals are calculated after elimination of the apportionment.*

(3) *= (1) + (2).*

(4), (5) *Based on data provided by Client. Includes only Permanent Partial Disability records (PPD).*

MONTANA DEPARTMENT OF LABOR & INDUSTRY

WORKERS COMPENSATION INJURIES
PERMANENT PARTIAL DISABILITY CASES
AVERAGE INDEMNITY CALCULATION

Calendar Injury Year	(1) Untrended Total Indemnity on Permanent Partial Disability Cases	(2) Untrended Total Indemnity on Cases >= 10K	(3) Number of Records with Untrended Total Indemnity >= 10K	(4) Untrended Average Indemnity	(5) Trend Factor	(6) Trended Average Indemnity
1995	5,429,925	4,145,021	187	22,166	1.396	30,936
1996	6,342,670	4,358,497	200	21,792	1.342	29,245
1997	10,888,763	7,176,425	347	20,681	1.290	26,687
1998	9,970,915	6,070,309	298	20,370	1.241	25,274
1999	8,252,325	4,487,436	215	20,872	1.193	24,901
2000	6,075,326	2,908,164	149	19,518	1.147	22,390
2001	3,300,001	1,303,601	64	20,369	1.103	22,467
2002	261,023	30,000	1	30,000	1.061	31,818
TOTAL 1995-1999	40,884,597	26,237,689	1,247	21,041		

Notes

(1), (2), (3) *Based on data provided by Client. Includes only Permanent Partial Disability records (PPD).*

(4) *= (2) / (3)*

(5) *Trend factor to 12/31/2003, based on the annual trend of 4%.*

(6) *= (4) x (5).*

MONTANA DEPARTMENT OF LABOR & INDUSTRY

OCCUPATIONAL DISEASES, PERMANENT PARTIAL DISABILITY CASES
EFFECT OF ELIMINATING THE $10,000 CAP
ESTIMATED TRENDED INDEMNITY BEFORE APPLICATION OF THE CAP

Calendar Injury Year	(1) Trended Total Indemnity on Cases in (GROUP 1)	(2) Estimated Total Indemnity on Cases in (GROUP 2)	(3) Trended Total Indemnity (ALL GROUPS)
1995	618,726	141,588	760,315
1996	584,907	256,441	841,348
1997	400,301	270,600	670,901
1998	480,210	199,469	679,679
1999	124,503	135,951	260,454
2000	0	99,565	99,565
2001	0	68,589	68,589
2002	0	2,197	2,197
TOTAL 1995-1999	2,208,648	1,004,050	3,212,697

Notes

(1) = *Page 1, Column (4) x Page 2, Column (6).*
(2) = *Page 1, Column (2), trended to 12/31/2003 at 4% per annum.*
(3) = *(1) + (2).*

MONTANA DEPARTMENT OF LABOR & INDUSTRY

OCCUPATIONAL DISEASES, PERMANENT PARTIAL DISABILITY CASES
EFFECT OF ELIMINATING THE $10,000 CAP
PERCENTAGE EFFECT

Injury Year	(1) Capped Total Indemnity on Cases in (GROUP 1)	(2) Capped Total Indemnity on Cases in (GROUP 2)	(3) Capped Total Indemnity (ALL GROUPS)	(4) Uncapped Total Indemnity (ALL GROUPS)	(5) Effect of Eliminating Capping
1995	200,000	131,171	331,171	760,315	129.6%
1996	200,000	243,019	443,019	841,348	89.9%
1997	150,000	251,089	401,089	670,901	67.3%
1998	190,000	167,287	357,287	679,679	90.2%
1999	50,000	127,443	177,443	260,454	46.8%
2000	0	99,038	99,038	99,565	0.5%
2001	0	68,589	68,589	68,589	0.0%
2002	0	2,197	2,197	2,197	0.0%
TOTAL 1995-1999	790,000	920,010	1,710,010	3,212,697	87.9%

Notes

(1) = *Page 1, Column (4) x $10,000.*
(2) *Calculated based on capping appropriate records in Group 2 at $10,000 after trending.*
(3) = *(1) + (2).*
(4) = *Page 3, Column (3).*
(5) = *(4) / (3) - 1.*

MONTANA DEPARTMENT OF LABOR & INDUSTRY

OCCUPATIONAL DISEASES AND WORKERS COMPENSATION INJURIES
EFFECT OF ELIMINATING THE $10,000 CAP
INDEMNITY AND MEDICAL

Calendar Injury Year	(1) Trended Unapportioned Uncapped Indemnity on All OD Cases	(2) Trended Unapportioned Capped Indemnity on All OD Cases	(3) OD Indemnity Effect of Eliminating Capping	(4) Total Uncapped OD Payments, Indemnity and Medical	(5) Total Capped OD Payments, Indemnity and Medical	(6) OD Combined Effect of Eliminating Capping	(7) Total Uncapped OD Payments and WC Payments	(8) Total Capped OD Payments and WC Payments	(9) Total Effect of Eliminating Capping
1995	2,582,472	2,153,328	19.9%	4,620,498	4,191,354	10.2%	50,420,573	49,991,429	0.9%
1996	4,478,788	4,080,459	9.8%	8,221,259	7,822,930	5.1%	59,410,714	59,012,385	0.7%
1997	4,986,297	4,716,485	5.7%	9,931,338	9,661,526	2.8%	108,193,007	107,923,195	0.3%
1998	4,581,304	4,258,911	7.6%	8,660,852	8,338,460	3.9%	100,873,059	100,550,667	0.3%
1999	3,679,108	3,596,097	2.3%	7,164,003	7,080,992	1.2%	89,051,738	88,968,728	0.1%
2000	2,978,368	2,977,842	0.0%	6,066,896	6,066,370	0.0%	72,387,597	72,387,070	0.0%
2001	1,553,777	1,553,777	0.0%	3,876,338	3,876,338	0.0%	52,550,576	52,550,576	0.0%
2002	177,825	177,825	0.0%	424,389	424,389	0.0%	11,768,033	11,768,033	0.0%
TOTAL 1995-1999	20,307,968	18,805,280	8.0%	38,597,951	37,095,263	4.1%	407,949,091	406,446,403	0.4%

Notes

(1) = *Exhibit 2, Page 4, Column (3) + Unapportioned Trended Total Indemnity from non-PPD OD cases.*
(2) = *(1) + Page 4, Column (3) - Page 4, Column (4).*
(3) = *(1) / (2) - 1.*
(4) = *(1) + Exhibit 1, Page 2, Column (2).*
(5) = *(4) + Page 4, Column (3) - Page 4, Column (4).*
(6) = *(4) / (5) - 1.*
(7) = *(4) + Exhibit 1, Page 4, Column (1).*
(8) = *(7) + Page 4, Column (3) - Page 4, Column (4).*
(9) = *(7) / (8) - 1.*

MONTANA DEPARTMENT OF LABOR & INDUSTRY

OCCUPATIONAL DISEASES AND WORKERS COMPENSATION INJURIES EFFECT OF ELIMINATING THE APPORTIONMENT AND THE $10,000 CAP SUMMARY

	(1) Percentage Effect of Eliminating Apportionment	(2) Percentage Effect of Eliminating $10,000 Cap	(3) Total Percentage Effect
Occupational Diseases, Indemnity	5.6%	8.0%	14.0%
Occupational Diseases, Total	2.7%	4.1%	6.9%
OD and WC, Total	0.2%	0.4%	0.6%

Notes

(1) From Exhibit 1, Pages 1, 2 and 4.

(2) From Exhibit 2, Page 5.

(3) = ([(1) + 1] x [(2) + 1]) - 1.